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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/672,448

Applicant(s)

GREENSHIELDS ET AL.

Examiner

GREG POLLOCK

Art Unit

3695

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 June 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3, 5, 6, 8-14, 26, 27 and 37 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3, 5, 6, 8-14, 26, 27, and 37 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/808)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. This action is responsive to claims filed 06/09/2009 and Applicant's request for reconsideration of application 10/672448 filed 06/09/2009.

The amendment contains original claim 8.

The amendment contains previously presented claims 5, 6, 11, 12, and 26.

The amendment contains amended claims 1-3, 9, 10, 13, 14, 27, and 37.

Claims 4, 7, 15-25, 28-36, and 38-66 have been canceled.

As such, claims 1-3, 5, 6, 8-14, 26, 27, and 37 have been examined with this office action.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Regarding **claim 1**, line 9, the phrase "may" renders the claim indefinite because it is unclear whether the limitation(s) following the phrase are part of the claimed invention.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. **Claims 1-3, 5, 6, 8-14, 26, 27, and 37** are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claims are directed toward the statutory category of a method (process), however based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a statutory § 101 process must (1) be tied to a particular machine or apparatus or (2) physically transform underlying subject matter (such as an article or materials) to a different state or thing. (i.e. "machine-or transformation test"). If neither of these requirements is met by the claim, method is not a patent eligible process under § 101 and is rejected as being directed toward non-statutory subject matter.

There are two corollaries to the machine-or-transformation test. First, a mere field-of-use limitation in the preamble is insufficient to render an otherwise ineligible method claim patent-eligible. The machine or transformation must impose meaningful limits on the method claims scope to pass the test. Second, insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. Therefore, reciting a specific machine or a particular transformation of a specific article is an insignificant step, such as data gathering or outputting, is not sufficient to pass the test. Nominal recitations of structure in an otherwise ineligible method fail to make the method a statutory process. See Benson, 409 U.S. at 71-72. As Comiskey recognized, "the mere use of the machine to collect data necessary for application of the mental process may not

make the claim patentable subject matter." *Comiskey*, 499 F.3d at 1380 (citing *In re Grams*, 888 F.2d 835, 839-40 (Fed. Cir.1989)). Incidental physical limitations, such as data gathering, field of use limitations, and post-solution activity are not enough to convert an abstract idea into a statutory process. In other words, nominal or token recitations of structure in a method claim do not convert an otherwise ineligible claim into an eligible one.

As example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter being transformed, for example by identifying the material being changed to a different state. (*Diamond v. Diehr*, 450 US 175, 184 (1981); *Parker V. Flook*, 437 US 584,588 n.9 (1978); *gottschalk v. Benson*, 409 US 63, 70 (1972); *Cochrane v Deener*, 94 US 780, 787-88 (1876)). Applicant is also directed to MPEP § 2173.05p, providing guidance with respect to reciting a product and process in the same claim and MPEP § 2111.02 [R3] providing guidance with respect to the effect of limitations within the preamble of a claim.

In reference to claims, the claims do not positively recite the other statutory class (thing or product) to which it is tied, by identifying the apparatus that

accomplishes the method steps. For example, claim 1 has been amended to include nominal recitations of “using a computerized electronic transfer system”. However the limits of claim 1 do not recite what structural apparatus is performing the execution of the terms of the contract, only the transfer of funds. Therefore, performance of the method steps (limits) directed toward establishing and execution of the contract (which appears to be considered a core/central part of what the applicant invented) are broadly interpreted to encompass all means by which the claim limit can be performed (including a purely mental step performed by a human). To resolve this deficiency, it must be made clear what underlying apparatus is used to perform each recited method step, particularly those that are considered a core/central part of what the applicant invented. Additionally, merely stating the underlying apparatus in the preamble is not sufficient. Further, if the method step is performed by software, it must be made clear that the software resides on a physical media and when read by a processor executes the method steps (all of which requires support in the specification).

Claim Interpretation - Intended Use or Intended Results

6. In determining patentability of an invention over the prior art, all claim limitations have been considered and interpreted as broadly as their terms reasonably allow. See MPEP § 2111.

Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988

F.2d 1181,26 USPQ2d 1057 (Fed. Cir. 1993).

Applicant always has the opportunity to amend the claims during prosecution, and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. In re Pruter, 415 F.2d 1393, 1404-05, 162 USPQ 541,550-51 (CCPA 1969). See MPEP § 2111.

All claim limitations have been considered. Additionally, all words in the claims have been considered in judging the patentability of the claims against the prior art. The following language is interpreted as not further limiting the scope of the claimed invention. See MPEP 2106 II C.

Language in a method claim that states only the intended use or intended result, but the expression does not result in a manipulative difference in the steps of the claim. Language in a system claim that states only the intended use or intended result, but does not result in a structural difference between the claimed invention and the prior art. In other words, if the prior art structure is capable of performing the intended use, then it meets the claim. For example in **claims 1** the phrase "revised to provide (a) that the first entity may provide the electricity to the recipient from sources other than specified in the original contract and (b) that the recipient is to pay a fixed price for the electricity under the first contract that is different from a price for the electricity specified in the original contract, wherein the original contract does not give the original supplier the right to make make-up deliveries following a period of force majeure;" is a statement of intended use of the "first contract" and as such is given not patentable weight. Also in claim 1, the phrase "to make debt service payments on the debt instruments when the first entity is unable to supply electricity to the recipient

because of a force majeure condition for a predetermined time period during the term of the first contract" is a statement of intended use of the "reserve account" and as such is given not patentable weight. Note that these are only examples of statements of intended use within the claim limits. There are multiple occurrences through claims 1-3, 5, 6, 8-14, 26, 27, and 37 which should be considered in future responses.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1, 3, 5, 8, 14, 26, 27, and 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Applicant's background of invention (Greenshields et al., U.S. Application No. 10/672448, "BACKGROUND OF INVENTION" section and Figures 1 and 2, labeled prior art.) in view of Helms (PGPub No. 20040138971) in further view of Miller et. al. (GEORGE K. MILLER, CHRIS LIN AND ALEX L. WANG, Simpson Thatcher & Bartlett LLP, "PROJECT DOCUMENTATION: DEBT FINANCE", SEPTEMBER 15, 2002, pages 1-64) in further view of Dines et al. (PGPub No. 20020052793).

As per claim 1, Applicant's background of invention teaches a **of facilitating the monetization of an original contract** (Power Purchase Agreement ("PPA") [¶12], [¶14, lines 4-9] and [¶22, lines 1-2]) **to supply electricity from an original**

supplier (power company [Figures 1 and 2, element 10]) **to a recipient** (utility [Figures 1 and 2, element 12]), **comprising:**

supplying electricity from a power supplier (power marketer [Figures 1 and 2, element 18]) **to the recipient pursuant to electricity supply contracts comprising** (i) **a first contract between the recipient and a first entity** (revised PPA [¶14, lines 9-12] and [¶22, lines 2-6]) **and (ii) a second contract between the first entity and the power supplier** (mirror PPA [Figures 1 and 2]),

wherein: the first contract obligates the first entity to supply electricity to the recipient and is a revised version of the original contract (revised PPA [¶14, lines 9-12] and [¶22, lines 2-6]), **revised to provide (a) that the first entity may provide the electricity to the recipient from sources other than specified in the original contract** (revised PPA [¶14, lines 9-12] and [¶22, lines 2-6]) **and (b) that the recipient is to pay a fixed price for the electricity under the first contract** ([¶12] and [¶14, lines 8-14]) **and offering interest-bearing debt instruments issued from the first entity** (bonds sold from the SPV [¶15, lines 1-2]) **wherein the debt instruments have a term matching the term of the second contract** ([¶16]).

Applicant's background of invention does not specifically teach that **the original contract does not give the original supplier the right to make make-up deliveries following a period of force majeure, the fixed price the recipient pays for the electricity is different than that in the original contract; the second contract obligates the power supplier to supply the electricity from the power supplier to the first entity at a price less than the price of the electricity in the first contract; and wherein the debt service of the debt instruments is financed by the difference between the price for electricity in the first contract and the price for electricity in the second contract; depositing, using a computerized electronic transfer system, payments by the recipient to the first entity under the first contract in a collections account of the first entity; paying, using the computerized electronic transfer system, payments from the first entity to the power supplier under the second contract from the collections account, wherein the first entity has a reserve account, separate from the collections account, that is sufficiently funded to make debt service payments on the debt instruments when the first entity is unable to supply electricity to the recipient because of a force majeure condition for a predetermined time period during the term of the first contract and a computer system.**

Helms teaches a method that **wherein the original contract does not give the original supplier the right to make make-up deliveries following a period of force majeure** (the utility has the right to purchase power on the open market if a

performance default occurs [¶46], [¶60], where "a period of force majeure" results in a "performance default" functionally no different than any other performance default, and is therefore, given no patentable weight.); **the fixed price the recipient pays for the electricity is different than that in the original contract; ([¶7, lines 1-6]) wherein the debt service of the debt instruments is financed by the difference between the price for electricity in the first contract and the price for electricity in the second contract ([¶7, lines 17-29]); depositing, using a computerized electronic transfer system, payments by the recipient to the first entity under the first contract in a collections account of the first entity; (prepayment [¶7] and [¶31]).**

It would have been obvious to one of ordinary skill in the art at the time of the invention to have combined the teachings of Helms with that of the Applicant's background of invention to obtain the claimed invention. The motivation to combine the teachings would be to provide a mechanism whereby the supply relationship cash flows can be approximately matched with undervalued Vendor Capital Obligation maturities to capture Intermediation Profits through the barter of these Obligations in settlement of supply invoices. Thus, both the vendor and buyer gain increased profits from their familiarity with a Contract's high Supply Value, which the credit markets may have significantly under valued due to a lack of understanding.

Applicant's background of invention and Helms do not specifically teach that **the second contract obligates the power supplier to supply the electricity from the power supplier to the first entity at a price less than the price of the electricity in the first contract; and paying, using the computerized electronic transfer system, payments from the first entity to the power supplier under the second contract from the collections account, wherein the first entity has a reserve account, separate from the collections account, that is sufficiently funded to make debt service payments on the debt instruments when the first entity is unable to supply electricity to the recipient because of a force majeure condition for a predetermined time period during the term of the first contract and a computer system.**

Miller et. al. teaches **a reserve account that is sufficiently funded to make debt service payments on the debt instruments when the first entity is unable to supply the electricity to the recipient because of a force majeure condition for a predetermined time period during the term of the first contract** ("The amount of damages payable is calculated, at a minimum, to cover project debt service payable during the period of delay" [page 4, lines 6-7] and [page 27, Debt Service Reserve Account or Debt Service Reserve Account] where one cause for delay is force majeure events [page 10, ¶1]).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have combined the teachings of Miller et. al. with that of the Applicant's background of invention and Helms to obtain the claimed invention. Helms recognizes the need to be proactive in dealing with default risk, and suggests that a portion of the Trust capital be used to hedge to enhance the buyer's protection [¶46]. However, Helms does not indicate that this is a separate reserve account. Therefore, the motivation to combine the teachings would be to provide a separate account which protects the buyer during a period of delayed service, thus increasing the participation of potential buyers.

Applicant's background of invention, Helms, and Miller et. al. do not specifically teach that **the second contract obligates the power supplier to supply the electricity from the power supplier to the first entity at a price less than the price of the electricity in the first contract; and paying, using the computerized electronic transfer system, payments from the first entity to the power supplier under the second contract from the collections account and a computer system.**

Dines et al. teach a method **wherein the price of the electricity in the second contract is less than the price of the electricity in the first contract ([¶15 - 16]), and wherein payments by the first entity to power supplier under the second supply contract are paid from the collections account of the first entity using a computerized electronic transfer system ([¶30] and [¶50-53]) and a computer system ([¶32] [¶50-53]).**

It would have been obvious to someone skilled in the art at the time of the invention to have combined the teachings of Dines et al. with that of the Applicant's background of invention, Helms, and Miller et. al. to obtain the claimed invention. In the Applicant's background of invention, it is indicated that first entity (the SPV) makes payments to the second entity [¶17], but does not indicate where the funds are transferred from or how. The motivation to combine the teachings would be to provide a mechanism whereby the supply contract can be monetized that takes profit out of a supply relationship, thus increasing the immediate value of the entities involved. Further, automating the system reduced human error and increases the speed of the aggregation and payment process.

As per claim 3, the rejection of claim 1 has been addressed. Applicant's background of invention teaches a method **wherein the first entity is owned by the original supplier ([¶14, lines 4-8]).**

As per claim 5, the rejection of claim 4 has been addressed.

Applicant's background of invention teaches a method **further comprising paying principal and interest on the debt instruments from the first entity to holders of the debt instruments** ([¶22, lines 3-5]).

As per claim 8, the rejection of claim 5 has been addressed.
Applicant's background of invention teaches a method **further comprising establishing an administrative services agreement between the first entity and an administrative agent** ([¶23, lines 2-5]).

As per claim 14, the rejection of claim 1 has been addressed.
Applicant's background of invention teaches a method **wherein the original contract is revised such that the first contract obligates the recipient to pay a fixed price to the first entity for capacity to supply the electricity** ([¶ 12] and [¶14, lines 8-14]).

Applicant's background of invention does not teach a method that **obligates the recipient to pay an index-based price for the electricity**.

Helms teaches a method that **obligates the recipient to pay an index-based price for the electricity** (a "spread" between the costs of funds furnished the Trust and the purchased obligation yields [¶37]).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have combined the teachings of Helms with that of the Applicant's background of invention to obtain the claimed invention. The motivation to combine the teachings would be to provide a mechanism whereby the supply relationship cash flows can be approximately matched with undervalued Vendor Capital Obligation maturities to capture Intermediation Profits through the barter of these Obligations in settlement of supply invoices. Thus, both the vendor and buyer gain increased profits from their familiarity with a Contract's high Supply Value, which the credit markets may have significantly under valued due to a lack of understanding.

As per claim 26, the rejection of claim 22 has been addressed.
Applicant's background of invention teaches a method **wherein the recipient is a government agency for managing the power procurement for a governmental entity** ([¶2]).

As per claim 27, the rejection of claim 26 has been addressed.
Applicant's background of invention does not teaches a method **further comprising the recipient offering debt securities, wherein the recipient is obligated to pay the entity for electricity under the first contract prior to servicing the debt securities offered by the recipient**.

Helms teaches a method that **further comprising the recipient** ([¶57, lines 8-13]) **offering debt securities** (BIP Units [¶58, lines 10-12] and [¶53]), **wherein the recipient is obligated to pay the entity for electricity under the first contract prior to servicing the debt securities offered by the recipient** ([¶62]).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have combined the teachings of Helms with that of the Applicant's background of invention to obtain the claimed invention. The motivation to combine the teachings would be to provide a mechanism whereby the supply relationship cash flows can be approximately matched with undervalued Vendor Capital Obligation maturities to capture Intermediation Profits through the barter of these Obligations in settlement of supply invoices. Thus, both the vendor and buyer gain increased profits from their familiarity with a Contract's high Supply Value, which the credit markets may have significantly under valued due to a lack of understanding.

As per claim 37, the rejection of claim 15 has been addressed. Applicant's background of invention teaches a method **wherein the second contract includes a liquidated damages clause that obligates the power supplier to pay liquidated damages to the first entity under certain specified conditions in the second contract** ([¶20, lines 1-5] and [¶22, lines 6-9]), **and further comprising a third-party guarantor guarantying payment obligations of the power supplier under the second contract, including the liquidated damages** ([¶22, lines 6-9]).

9. Claims 2, 9, 10, and 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Applicant's background of invention (Greenshields et al., U.S. Application No. 10/672448, "BACKGROUND OF INVENTION" section and Figures 1 and 2, labeled prior art.) in view of Helms (PGPub No. 20040138971) in further view of Miller et. al. (GEORGE K. MILLER, CHRIS LIN AND ALEX L. WANG, Simpson Thatcher & Bartlett LLP, "PROJECT DOCUMENTATION: DEBT FINANCE", SEPTEMBER 15, 2002, pages 1-64) in further view of Dines

et al. (PGPub No. 20020052793) in further view of Remley et al. (PGPub No. 20020023052).

As per claim 2, the rejection of claim 1 has been addressed. Applicant's background of invention, Helms, Miller et. al., and Dines et al. do not teach a method **further comprising guaranteeing by a third-party guarantor, payment obligations of the first entity to the recipient arising out of the first contract, wherein the third-party guarantor's guaranty of the payment obligations of the first entity is capped by a maximum liability limitation amount**

Helms teaches a method that **further comprising guaranteeing, by a third-party guarantor, payment obligations of the first entity to the recipient arising out of the first contract** ([Figures 9-11], [¶47] 50)].

It would have been obvious to one of ordinary skill in the art at the time of the invention to have combined the teachings of Helms with that of the Applicant's background of invention to obtain the claimed invention. The motivation to combine the teachings would be to provide a mechanism whereby the supply relationship cash flows can be approximately matched with undervalued Vendor Capital Obligation maturities to capture Intermediation Profits through the barter of these Obligations in settlement of supply invoices. Thus, both the vendor and buyer gain increased profits from their familiarity with a Contract's high Supply Value, which the credit markets may have significantly under valued due to a lack of understanding.

Applicant's background of invention, Helms, Miller et. al. and Dines et al. do not teach a method **wherein the third-party guarantor's guaranty of the payment obligations of the first entity is capped by a maximum liability limitation amount**.

Remley et al. teaches a method **wherein the third-party guarantor's guaranty of the payment obligations of the first entity is capped by a maximum liability limitation amount** ([¶10] and [¶78]).

It would have been obvious to someone skilled in the art at the time of the invention to have combined the teachings of Remley et al. with that of the Applicant's background of invention, Helms, Miller et. al., and Dines et al. such that the third-party guarantor's guaranty of the payment obligations of the first entity is capped by a maximum liability limitation amount. The motivation to combine the teachings would be to increase protection to the guarantor for large revenue percentage deviations from historic values.

As per claim 9, the rejection of claim 2 has been addressed.
Applicant's background of invention teaches a method **wherein the first entity is a subsidiary of the original supplier** (§14, lines 4-8)).

As per claim 10, the rejection of claim 9 has been addressed.
Applicant's background of invention, Helms, Miller et. al. ,and Dines et al. do not teach a method **wherein the power supplier is a subsidiary of the third-party guarantor**.

Remley et al. teaches a method **wherein the power supplier** (producer [Figure 1, element 12]) **is a subsidiary of the third-party guarantor** (guarantor [Figure 1, element 10] and §17, §28 – 29), where the guarantor is the controlling entity which decides business matter for the producer.).

It would have been obvious to someone skilled in the art at the time of the invention to have combined the teachings of Remley et al. with that of the Applicant's background of invention, Helms, Miller et. al. ,and Dines et al. such that the second entity is a subsidiary of the third-party guarantor. The motivation to combine the teachings would be to greatly reduce the risks associated with the second entity for obtaining payment and for the guarantor on ensuring the transactions between the first entity, second entity, and power distributor is completed.

As per claim 13, the rejection of claim 2 has been addressed.
Applicant's background of invention teaches a method **wherein the third-party guarantees payment obligations of the power supplier to the first entity arising out of the second contract** (§22, lines 6-11)).

10. Claims 6, 11, and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Applicant's background of invention (Greenshields et al., U.S. Application No. 10/672448, "BACKGROUND OF INVENTION" section and Figures 1 and 2, labeled prior art.) in view of Helms (PGPub No. 20040138971) in further view of Miller et. al. (GEORGE K. MILLER, CHRIS LIN AND ALEX L. WANG, Simpson Thatcher & Bartlett LLP, " PROJECT DOCUMENTATION: DEBT FINANCE", SEPTEMBER 15, 2002, pages 1-64) in further view of Dines et al. (PGPub No. 20020052793) in further view of Blanz et al. (PGPub No. 20050102224).

As per claim 6, the rejection of claim 5 has been addressed. Applicant's background of invention, Helms, Miller et. al. ,and Dines et al. do not teach a method **wherein a debt service coverage ratio of the debt instruments is between 1.00 and 1.01**.

Blanz et al. teaches a method **wherein a debt service coverage ratio of the debt securities is between 1.00 and 1.01** ([¶9] [¶105] [¶179]).

It would have been obvious to someone skilled in the art at the time of the invention to have combined the teachings of Blanz et al. with that of the Applicant's background of invention, Helms, Miller et. al. ,and Dines et al. such that a debt service coverage ratio of the debt securities is between 1.00 and 1.01. The motivation to combine the teachings would be to ensure that the first entity could be underwritten such as not to hindered the financing of the monetization.

As per claim 11, the rejection of claim 4 has been addressed. Applicant's background of invention, Helms, Miller et. al. ,and Dines et al. do not teach a method **wherein the debt instruments include senior secured notes**.

Blanz et al. teaches a method **wherein the debt instruments include senior secured notes** (senior bonds [¶70 - 78], [¶149], [¶151], [¶159], [¶178], [¶180]).

It would have been obvious to someone skilled in the art at the time of the invention to have combined the teachings of Blanz et al. with that of the Applicant's background of invention, Helms, Miller et. al. ,and Dines et al. such that the debt securities include senior secured notes. The motivation to combine the teachings would be to ensure that the first entity, and thus the power company, could be repaid prior to payment of subordinated notes, bond holders.

As per claim 12, the rejection of claim 4 has been addressed. Applicant's background of invention, Helms, Miller et. al. ,and Dines et al. do not teach a method **wherein the debt instruments include subordinated notes**.

Blanz et al. teaches a method **wherein the debt instruments include subordinated notes** (junior or subordinated bonds [¶149], [¶151], [¶159], [¶178], and [¶180]).

It would have been obvious to someone skilled in the art at the time of the invention to have combined the teachings of Blanz et al. with that of the Applicant's background of invention, Helms, Miller et. al. ,and Dines et al. such that the debt securities include senior secured notes. The motivation to combine the teachings would be to ensure that the first entity, and thus the power company, could be repaid prior to payment of subordinated notes, bond holders.

Response to Arguments

11. Applicant's arguments with regards to claims 1-3, 5, 6, 8-14, 26, 27, and 37, filed 06/09/2009 have been fully considered but they are not persuasive.
12. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 101 (page 10): The applicant contends that the amended claims 2, 3, 7, 9-10, 15-17, 21 and 23-31 stand have overcome the 35 U.S.C. § 101 rejection because the applicant has amended claim 1 so that the claimed method is tied to a particular machine, including a transaction computer system and a computerized electronic transfer system. In addition, claim 1 has been amended to recite a step involving a physical transformation, i.e., "supplying electricity from a power supplier to the recipient." Accordingly, applicants submit that claim 1 and its dependent claims satisfy § 101. See *In re Bilski*, 545 F.3d 943, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008) (en banc) ("A claimed process is surely patent-eligible under § 101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article to a different state or thing.") (emphasis in original).
13. EXAMINER'S RESPONSE: As stated in the 35 USC § 101 rejection, the claims do not positively recite the other statutory class (thing or product) to which it is tied, by identifying the apparatus that accomplishes the method steps directed toward establishing a the contract (which appears to be considered a core/central part of what the applicant has claimed to have invented). The transfer of

offerings, deposits, and payments using a computer system and the determination of offerings, deposits, and payments as a result of establishing the contract are separate activities. Broadly interpreted, the claim limits involving determination of offerings, deposits, and payments as a result of establishing the contract encompass all means by which the claim limits can be performed (including a purely mental step performed by a human). Using this broad interpretation, the offerings, deposits, and payments can be determined as human steps (pencil and paper, purely mental step, spreadsheet, ect ...) and the results of the offerings, deposits, and payments calculations can then be used to transfer funds by use of the computer system. There is nothing in the claims or even in the applicant's disclosure to suggest that the determination of the offerings, deposits, and payments is performed by software specifically incorporating the method steps involving the contract. Any computer system capable of transferring funds over the Internet could perform the method steps as claimed and disclosed in the present application. Therefore, the applicant's argument that the claims, as amended, recite patent eligible subject matter under § 101 because they are tied to a particular machine, i.e., an electronic fund transfer computer system is not valid since software performing the method steps specific to determining payments according to the contract (which appears to be considered a core/central part of what the applicant claims to have invented) is not claimed, disclosed, or inherent.

Concerning the argument that the amended claims recite a physical transformation, the examiner respectfully disagrees with the applicant's argument. The method steps are directed toward "facilitating the monetization of an original contract" not a physical transformation of underlying subject matter. Even the amended claim limit cited as demonstrating physical transformation "supplying electricity from a power supplier to the recipient" only indicates the transfer of electricity. No physical transformation is claimed in this claim limit. As such the examiner maintains the rejection under 35 USC § 101.

14. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 103 (page 7): The applicant states that it is improper for the Office to make implications of the background of the application. See e.g., MPEP § 2112 ("The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic.") (emphasis in original). For example, in addition to other implications, the Office Action makes the following implications about the background for which there is no support:
15. EXAMINER'S RESPONSE: The applicant's argument is moot since the office action never claims inherency within the office action. Note also that the applicant's background is not used as prior art in teaching the claim limits which have been argued on page 7. However, for the purpose of furthering prosecution, the examiner has removed the phrase "implies" as applicable within this office action.

16. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 103 (page 8): The applicant argues that Helms does not teach a method where "the first (original) contract does not give the (original) supplier the right to make make-up deliveries following a period of force majeure...":
17. EXAMINER'S RESPONSE: The examiner respectfully disagrees with the applicant's argument. First, the entire phrase "revised to provide (a) that the first entity may provide the electricity to the recipient from sources other than specified in the original contract and (b) that the recipient is to pay a fixed price for the electricity under the first contract that is different from a price for the electricity specified in the original contract, wherein the original contract does not give the original supplier the right to make make-up deliveries following a period of force majeure;" is a statement of intended use of the "first contract" and as such is given not patentable weight. Second, even if the claims could be made to be positively recited, the claim limit of interest is a term of a contract. This raises the issue of 35 USC § 101 compliance which has been previously address. Third, the examiner does not agree that Helms does not disclose ""the first (original) contract does not give the (original) supplier the right to make make-up deliveries following a period of force majeure...". As stated in the prior art rejection, Helms teaches that the utility has the right to purchase power on the open market if a performance default occurs [¶46], [¶60]. The original supplier has lost exclusive

rights to provide power to the utility (and therefore make-up deliveries) since the utility can purchase the power on the open market.

18. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 103 (page 7): The applicant argues that Miller does not teach "a reserve account that is sufficiently funded to make debt service payments on the debt instruments when the first entity is unable to supply the commodity to the recipient because of a force majeure condition for a predetermined period of time...".
19. EXAMINER'S RESPONSE: The examiner respectfully disagrees with the applicant's argument. First, the entire phrase "to make debt service payments on the debt instruments when the first entity is unable to supply electricity to the recipient because of a force majeure condition for a predetermined time period during the term of the first contract" is a statement of intended use of the "reserve account" and as such is given not patentable weight. Second, even if the claims could be made to be positively recited, the claim limit of interest is a term of a contract. This raises the issue of 35 USC § 101 compliance which has been previously address. Third, the examiner does not agree that the Miller does not teach the cited claim limit. As cited in the prior art rejection Miller teaches that "The amount of damages payable is calculated, at a minimum, to cover project debt service payable during the period of delay" [page 4, lines 6-7] and [page 27, Debt Service Reserve Account or Debt Service Reserve Account] where one cause for delay is force majeure events [page 10, ¶1]. Therefore, Miller teaches

covering debt service during a period of delay as a result of force majeure events. As such the examiner maintains his rejections.

20. Therefore, in view of the above reasons, Examiner maintains rejections.

Conclusion

21. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Gregory Pollock whose telephone number is 571 270-1465. The examiner can normally be reached on 7:30 AM - 4 PM, Mon-Fri Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Chuck Kyle can be reached on 571 272-5233. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

09/25/2009

/Gregory Pollock/
Examiner, Art Unit 3695

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